

***United States Court of Appeals  
for the Second Circuit***



**BRIEF FOR  
APPELLANT**



74-2139

B  
P65

---

---

IN THE  
**United States Court of Appeals**  
**For the Second Circuit**

Appeal No. 74-2139

HYMAN KRAMER, doing business as  
HY KRAMER ENTERPRISES,

*Plaintiff-Appellant,*

v.

DURALITE COMPANY, INC., and  
G & A MACHINE WORKS, INC.,

*Defendant-Appellees.*

---

ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

---

---

**BRIEF FOR APPELLANT**

---

---

HARVEY E. BUMGARDNER, JR.

*Attorney for Plaintiff-Appellant*

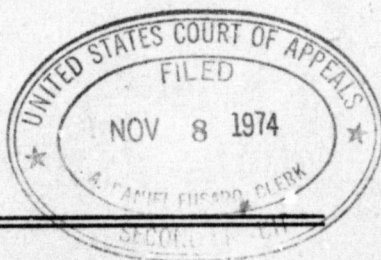
1230 Sixth Avenue

New York, New York 10020

Telephone (212) 489-4541

*Of Counsel:*

BARBARA BUMGARDNER  
ARTHUR, DRY & KALISH







## TABLE OF CONTENTS

	PAGE
PRELIMINARY STATEMENT .....	1
STATEMENT OF ISSUES PRESENTED FOR REVIEW .....	2
STATEMENT OF THE CASE .....	3
Summary Of District Court Proceedings ....	3
Statement Of Facts Relevant To The Issues Presented For Review .....	4
ARGUMENT:	
Summary Of Argument .....	6
POINT I—The Trial Court clearly erred, as a mat- ter of law, in awarding attorney fees to G & A	8
In This Circuit, Only The Most Deliberate And Willful Fraudulent Conduct Will Jus- tify An Award Of Attorneys' Fees Against The Patentee .....	8
Inventorship Is A Common Issue In Patent Cases .....	10
The Inventor Is The One Who Conceives The Invention .....	12
Kramer Was The Sole Inventor Of The Claimed Subject Matter .....	14
The Trial Court's Apparent Conclusion That Kramer Knowingly Lied When He Claimed To Be The Sole Inventor Is Unwarranted ..	17
The Trial Court Apparently Applied The Wrong Standard Of Proof In Deciding The Fraud Charge .....	18
The Charge Of Perjury Is Not Established Even By The "Preponderance" Test .....	19

	PAGE
POINT II—The amount of attorney fees awarded is clearly excessive .....	20
The Result To Be Considered In Determining The Amount Of A Counsel Fee Award Is The Result Apart From The Counsel Fee Award .....	22
The Magistrate's Award Was Punitive In Amount .....	22
Assuming, Arguendo, That Attorney Fees In Excess Of \$1,000 Were Warranted, The Magistrate Computed The Amount On A Basis Not Warranted By The Facts And The Law .....	23
The Magistrate Did Not Consistently Apply His Own Established Attorney Fee Rate Criteria To The Entire Proceeding .....	25
POINT III—Where cross-claims for damages were both denied each party should bear its own costs .....	26
POINT IV—Kramer was deprived of his right to due process of law as guaranteed by the Fifth Amendment to the Constitution of the United States .....	26
CONCLUSION .....	31
ADDENDUM .....	1a

## TABLE OF AUTHORITIES

## Cases Cited

	PAGE
Agawam Co v. Jordan, 74 U.S. 583 (1869) . . . . .	7, 13, 14, 17
Baldwin-Lima-Hamilton Corp. v. Tatnall Meas. Sys. Co., 169 F. Supp. 1 (E.D. Pa. 1958), <i>aff'd</i> , 268 F.2d 395 (3d Cir. 1959), <i>cert. denied</i> , 361 U.S. 894 (1959)	18
Barr Rubber Products Company v. Sun Rubber Com- pany, 425 F.2d 1114 (2d Cir. 1970), <i>cert. denied</i> , 400 U.S. 878 (1970) . . . . .	8, 18, 19, 24, 29
Barr Rubber Products Company v. Sun Rubber Co., 279 F. Supp. 49 (S.D.N.Y. 1968), <i>rev'd in part</i> , 425 F.2d 1114 (2d Cir. 1970), <i>cert. denied</i> , 400 U.S. 878 (1970) . . . . .	21, 24, 25
Bussemer v. Artwire Creations, Inc., 231 F. Supp. 798 (S.D.N.Y. 1964) . . . . .	10
Cloth v. Hyman, 146 F. Supp. 185 (S.D.N.Y. 1956)	21
Commonwealth v. O'Keefe, 298 Pa. 169, 148 A. 73 (Sup. Ct. Pa. 1929) . . . . .	30
Congoleum Industries, Inc. v. Armstrong Cork Co., 339 F. Supp. 1036 (E.D. Pa. 1972) . . . . .	18
Delamere Co., Inc. v. Taylor-Bell Co. Inc., 249 F. Supp. 471 (S.D.N.Y. 1966) . . . . .	10, 18
Formal Fashions, Inc. v. Braiman Bows, Inc., 254 F. Supp. 389 (S.D.N.Y. 1966), <i>aff'd</i> , 369 F.2d 536 (2d Cir. 1966) . . . . .	10
Frederick Iron & Steel Co. v. Sanford Riley Stoker Co., 287 F. 495 (4th Cir. 1923) . . . . .	17
Indiana General Corp. v. Krystinel Corp., 421 F.2d 1023 (2d Cir. 1970), <i>cert. denied</i> , 398 U.S. 928 (1970) . . . . .	8, 9

	PAGE
Kaplan v. Helenhart Novelty Corp., 182 F.2d 311 (2d Cir. 1950) .....	18
Klein v. American Casting & Mfg. Corp., 87 F.2d 291 (2d Cir. 1937) .....	15
Minerals Separation, Ltd. v. Hyde, 242 U.S. 261 (1916) .....	7, 14, 17
Orgel v. Clark Boardman Co., 301 F.2d 119 (2d Cir. 1962), <i>cert. denied</i> , 371 U.S. 817 (1962) .....	21
P & D Sales & Mfg. Co. v. Winter, 334 F.2d 830 (7th Cir. 1964) .....	18
Pointer v. Six Wheel Corp., 177 F.2d 153 (9th Cir. 1949), <i>cert. denied</i> , 339 U.S. 911 (1950) .....	14
Powell v. Alabama, 287 U.S. 45 (1932) .....	30
Q-Panel Co. v. Newfield, 482 F.2d 210 (10th Cir. 1973) .....	10
Shapiro v. United States, 69 F. Supp. 205 (Ct. Cl. 1947) .....	30
Thermovac Industries Corp. v. Virtis Co., Inc., 159 U.S.P.Q. 349 (S.D.N.Y. 1968) .....	21, 24, 25

### Constitution of the United States

Amendment V .....	3, 26, 29
Amendment VI .....	29

### Statutes

17 U.S.C. § 116 .....	20
35 U.S.C. § 115 .....	5
35 U.S.C. § 116 .....	7

	PAGE
35 U.S.C. § 256 .....	7, 11
35 U.S.C. § 281 .....	23
35 U.S.C. § 285 .....	3, 6, 9, 20, 31
Rule 52(b), F. R. Civ. Proc., 28 U.S.C. ....	20

### Other Authorities

Deller's Walker on Patents, (Second Edition) Vol. 1, 1964 .....	11, 13, 20
Invention and the Law, Harry Aubrey Toulmen, Jr., Prentice Hall, 1936 .....	12
Modern Constitutional Law, Vol. 1, Chester J. Antieri, The Lawyers Co-operative Publishing Company, 1969 .....	29, 30
Patenting The Invention, V. Alexander Scher, Mathew Bender & Co., 1948 .....	11
Patent Law For Chemists, Engineers and Executives, Fred H. Rhodes, McGraw Hill, 1931 .....	12
Studies Prepared For The Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, United States Senate, Eighty-Sixth Congress, Second Session, Studies 22-25, United States Government Printing Office, 1960 .....	21
Walker on Patents (Deller's Edition), Baker, Voorhis and Company, 1937 .....	10



IN THE  
**United States Court of Appeals**  
**For the Second Circuit**

**Appeal No. 74-2139**

---

HYMAN KRAMER, doing business as  
HY KRAMER ENTERPRISES,

*Plaintiff-Appellant,*

v.

DURALITE COMPANY, INC., and G & A MACHINE WORKS, INC.,

*Defendant-Appellees.*

---

ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

---

**BRIEF FOR APPELLANT**

---

**PRELIMINARY STATEMENT**

This appeal is from a portion of the judgment entered below in the United States District Court for the Southern District of New York by the Honorable Kevin T. Duffy, United States District Judge. Judge Duffy's (the "Trial Court's" hereinafter) opinion is reported at F. Supp. , 181 U.S.P.Q. 326.

**STATEMENT OF ISSUES PRESENTED  
FOR REVIEW**

I. In awarding to defendant, G & A, counsel fees for this action to be paid by plaintiff, Kramer, did the Trial Court err in the award because:

1. It misapprehended the strict standards imposed by this Circuit on the justification of the Trial Court's discretionary allowance of such award;

2. It failed to recognize that the question of whether a patented invention is the sole invention of one person or the joint invention of two or more persons is a commonly recurrent problem in patent law and not a "once-in-a-lifetime situation";

3. It misconstrued the well-established law of inventorship in holding that Kramer was not the inventor of the subject matter of the claims of the patent in suit and knowingly lied when he said he was; and

4. It applied the wrong standard of proof in deciding the perjury charge leveled at Kramer by G & A's peculiarly unparticularized counterclaim?

*Kramer would answer "yes".*

II. Even assuming, arguendo, that an award of attorney fees to G & A was warranted in this case, was the amount of the award, \$16,970, excessive in view of the result achieved and the billing rate history of G & A's counsel?

*Kramer would answer "yes".*

III. Where both Kramer's claim for damages for patent infringement and G & A's counterclaim for damages for fraud on the Patent Office were denied, should G & A have been awarded the costs of the action?

*Kramer would answer "no".*



IV. Did the Trial Court deprive Kramer of his right to due process of law guaranteed by the Fifth Amendment to the Constitution of the United States?

*Kramer would answer "yes".*

## STATEMENT OF THE CASE

### Summary of District Court Proceedings

These are two consolidated actions for patent infringement brought by plaintiff-appellant, Hyman Kramer ("Kramer" hereinafter) against, respectively, Duralite Company, Inc. ("Duralite" hereinafter), and G & A Machine Works, Inc. ("G & A" hereinafter), pursuant to the Patent Laws of the United States, Title 35 U.S.C., for infringement of United States Letters Patent No. 3,310,268 ("the patent in suit" hereinafter) issued March 21, 1967, in the name of Kramer as sole inventor and at all times owned by him. G & A counterclaimed for damages alleging fraud on the Patent Office by Kramer.

After trial, the Trial Court entered an opinion and order (App. 139a-144a) holding the patent in suit to be invalid and unenforceable and that Kramer "was not the creator of the design or device and lied when he said he was" (App. 143a), denying G & A's counterclaim (App. 143a) and finding the case such an exceptional one as to warrant the award of attorney fees to G & A under 35 U.S.C. § 285 (App. 144a).

Thereafter, upon order of the Trial Court (App. 144a), a hearing was held before the Honorable Gerard L. Goettel, Magistrate, to determine the amount of the attorney fee award (App. 170a-211a). The Magistrate issued a report and recommendation that the attorney fee award be fixed at \$16,970.00 (App. 240a-246a), and the report and recommendation of the Magistrate was confirmed in all respects by the Trial Court (App. 261a-262a). This appeal by

Kramer from the judgment (A.P. 263a-264a) of the Trial Court was timely filed.

### **Statement Of Facts Relevant to the Issues Presented For Review**

At the time of the "invention"<sup>1</sup> or innovation which is the subject matter of the patent in suit, Kramer was in the business of manufacturing and selling metal stampings, especially those designed to function as components of tubular folding furniture such as lawn chairs, cots and the like. G & A was a competitor of Kramer in this line of business, and Duralite was a customer of G & A.

Kramer's sphere of activity at that time was to personally sell the metal stamping products to various customers and to specify in detail the type, design and construction of the products to be manufactured for sale. The actual manufacture of Kramer's products, while directed by Kramer to a large extent, was performed by an independent company, Erie Packaging Corp. ("Erie" hereinafter) which utilized stamping machinery owned by Kramer for that purpose. Two of the principals of Erie were George Gonsalves ("Gonsalves" hereinafter) and Felice Dosso ("Dosso" hereinafter). In addition to manufacturing products for Kramer, Gonsalves functioned as Kramer's die designer. That is, he designed, pursuant to Kramer's orders, the various dies and fixtures which were mounted in Kramer's conventional stamping presses to produce the specific products manufactured. For all practical purposes, Gonsalves was a part-time employee of Kramer.

---

<sup>1</sup> The Trial Court has held that the innovation covered by the patent claims in suit was obvious at the time it was made and, therefore, was not patentable invention. Although Kramer does not dispute that holding on this appeal, the expressions, "invention" and "inventor" will be used herein to facilitate argument of the issues raised by the Trial Court's holdings to which this appeal is directed.

One day, having conceived the essential features of an improved and cheaper hinge bracket for a folding cot, Kramer approached Gonsalves for the purpose of having Gonsalves complete the detailed design of the bracket and the die for producing it. These design functions are necessarily interrelated since the die must be capable of producing the finished product, and the finished product design must be amenable to practical limitations on die construction and function.

According to Gonsalves testimony, on this occasion, Kramer gave Gonsalves detailed instructions as to the specific design features of the improved bracket (App. 162a). See pages 15-16, *infra*.

Moreover, on this occasion, Kramer and Gonsalves sat down together, as was their custom (App. 71a), to discuss how Kramer's objectives might be achieved (App. 70a). Kramer approved (App. 67a) the completed preliminary hinge bracket design as depicted in trial exhibit K prime (App. 273a).

Thereafter, Kramer filed the application for the patent in suit and instructed Gonsalves to imprint "patent pending" on the improved hinge bracket. As part of the relevant patent application, Kramer subscribed and swore to the customary oath prescribed by the Patent Laws, 35 U.S.C. § 115, stating, *inter alia*, that "I verily believe that I am the original, first and sole inventor of the invention . . . described and claimed therein." (App. 271a). Gonsalves followed Kramer's instructions and continued to so imprint the hinge brackets produced by him in such a manner until the patent in suit issued. Thereafter, the number of the patent in suit was imprinted on the improved hinge brackets.

## ARGUMENT

### SUMMARY OF ARGUMENT

Insofar as it awards attorney fees to G & A, the opinion and order of the Trial Court is clearly erroneous on its face. Normally, the application of the attorney fee provision of the patent laws, 35 U.S.C. § 285, to a particular case is viewed as a matter for the exercise of the Trial Court's discretion. But here it is apparent on the face of the Trial Court's decision that it has founded the exercise of its discretion on an erroneous and appealable conclusion of law. The Trial Court erred in concluding that Kramer was not the inventor of the patented device and lied to the Patent Office and the Court when he said that he was (App. 143a). By clear inference, the Trial Court has held that Kramer could not even have had a reasonable belief that he was the inventor, and, in so doing, has completely misconstrued the law of inventorship and its application to even the scant findings of fact expressly stated in its decision.

The Trial Court's decision finds "nesting" to be the crux of the patented invention (App. 141a).

"The alleged invention 'improves' on the prior art by 'nesting' the brackets and thus minimizing the amount of scrap involved in the sheet metal stamping process."

Indeed, the Trial Court held the patent to be invalid and unenforceable for lack of invention solely because it found that "nesting" was old in the sheet metal art (App. 142a).

"Here it is well known that 'nesting' to save scrap in a sheet metal stamping process is an old art and thus cannot be considered an 'invention' to be covered by patent protection. On this basis alone I would hold the patent in question invalid and unenforceable."

But the Trial Court also found that Kramer alone conceived the concept of "nesting" the patented hinge bracket blanks and directed his tool designer, Gonsalves, to design a practical embodiment of this concept (App. 143).

"... the plaintiff [Kramer] approached George Gonsalves ... and requested Gonsalves to design a 'nesting' pattern of blanks to be made of a lighter gauge material with reinforcing ribs contained therein."

In concluding (at App. 143a) that

"These acts clearly did not alter the fact that the design was 'invented' by Gonsalves, not the plaintiff,"

the Trial Court (as will be shown in more detail hereinafter) clearly acted contrary to the established law of inventorship as exemplified by such landmark decisions of the Supreme Court as *Agawam Co. v. Jordan*, 74 U.S. 583, 602 (1869), and *Minerals Separation, Ltd., v. Hyde*, 242 U.S. 261, 270 (1916). These decisions hold that the one who conceives the essential features of a patentable advance in the art is the inventor rather than the one who merely exercises prevailing engineering and design skills to design a practical embodiment of the improvement at the inventor's direction. Further, for an employed designer's contribution to the practical embodiment to rise to the level of "co-inventorship", it is necessary that the designer's contribution, itself, have risen to the level of invention (*Agawam, supra*, at 602-603). By the Trial Court's own decision (App. 142a), no such contribution was made here.

The Trial Court's misapprehension of the law of inventorship is further exemplified by its finding that the dispute as to inventorship in the trial of this action is "the once-in-a-lifetime situation" (App. 142a). The present Patent Laws, Title 35 U.S.C., contain specific sections, §§ 116, 256, which deal with this all too common situation.

Moreover the Trial Court seems unaware of the strict standards for the discretionary award of attorney fees established by this Court in such decisions as *Indiana General Corp. v. Krystinel Corp.*, 421 F. 2d 1023 (2d Cir. 1970), *cert. denied*, 398 U.S. 928 (1970), and *Barr Rubber Products Company v. Sun Rubber Company*, 425 F. 2d 1114 (2d Cir. 1970), *cert. denied*, 400 U.S. 878 (1970).

Since the opinion of the Trial Court expressly rejects the credibility of Kramer as a witness (App. 142a, 143a), this appeal will be founded solely on the testimony of G & A's witnesses, especially that of George Gonsalves. The few out-of-context passages of Kramer's testimony which appear in the Joint Appendix were included therein solely at G & A's request.

In later sections of this Brief for Appellant, Kramer will show that:

II. Even if an award of attorney fees was justified herein, the amount of the award was excessive;

III. That each party should have borne its own costs; and that

IV. The Trial Court, by its unreasonable haste to dispose of the case, deprived Kramer of his constitutional right to due process of law.

## POINT I

### THE TRIAL COURT CLEARLY ERRED, AS A MATTER OF LAW, IN AWARDING ATTORNEY FEES TO G & A

#### In This Circuit, Only The Most Deliberate And Willful Fraudulent Conduct Will Justify An Award Of Attorneys' Fees Against The Patentee

In this Circuit, it is established law that only the most extreme deliberate and willful fraudulent conduct towards the Patent Office by the patentee will support an award of

attorneys' fees under Section 285 of the Patent Laws, Title 35, U.S.C. In a recent leading decision on this point, *Indiana General Corp. v. Krystinel Corp.*, 421 F. 2d 1023 (2d Cir. 1970), *cert. denied*, 398 U.S. 928 (1970), a panel headed by Judge Medina fully supported the findings of the trial court (Tenney, J.) to the effect that the patent owners' conduct before the Patent Office was "less than candid" (*Id.*, at 1033, 1034). This Court found that, had the Patent Office received a full disclosure of the facts, "the proceedings might have ended abruptly in final rejection of the application." (*Ibid.*). The patentee's conduct before the Patent Office was characterized as "furtiveness" (*Id.* at 1034). Nevertheless, apparently finding that the evidence failed to show "the willful intent to deceive" (scienter) (*Id.* at 1033), this Court of Appeals found that the patent owner might have had "a bona fide belief in the patent's validity" (*Id.* at 1034) and denied attorney's fees.

The decision of the Trial Court herein is in sharp contrast to that of this Court of Appeals in *Krystinel*, *supra*. Where, it is respectfully asked, has the record established that Kramer *knowingly lied* when he stated to the Patent Office and to the Trial Court that he was the "sole inventor" of the patented invention? Absent the establishment of such scienter *by clear and convincing proof*, attorney fees, in view of *Krystinel*, are not to be awarded. As will be shown hereinafter, "sole inventorship" is not a fact, but is, rather, a legal conclusion. Moreover, in accordance with the law of inventorship and not inconsistent with the stated factual findings of the Trial Court as to what transpired between Kramer and Gonsalves, Kramer probably is the "sole inventor" of the patented bracket blank. *He was and is, at the very least, entitled to "a bona fide belief" that he is the sole inventor.*

The "attorney fee" standard of the Second Circuit in *Krystinel* has been cited with approval by the Court of

Appeals for the Tenth Circuit in *Q-Panel Co. v. Newfield*, 482 F.2d 210, 211 (10th Cir. 1973).

"The statute contemplates such misconduct upon the part of the losing party as to constitute fraud on the Patent Office or so unfair and reckless as to make it unconscionable for the prevailing party to sustain the expense of counsel."

Moreover, the United States District Court For The Southern District of New York has applied a similarly stringent standard of alleged misconduct in several recent cases. See *Delamere Co., Inc. v. Taylor-Bell Co., Inc.*, 249 F. Supp. 471 (S.D.N.Y. 1966) (Bonsal, J.); *Bussemer v. Artwire Creations, Inc.*, 231 F. Supp. 798, 805 (S.D.N.Y. 1964) (Weinfeld, J.); *Formal Fashions, Inc. v. Braiman Bows, Inc.*, 254 F. Supp. 389, 395 (S.D.N.Y. 1966) (McLean, J.); *aff'd*, 369 F. 2d 536 (2d Cir. 1966).

#### **Inventorship Is A Common Issue In Patent Cases**

In finding (at App. 142a) that:

"... this case presents the *once-in-a-lifetime* situation wherein the defendant . . . argues that, if there is an invention, some one other than the patent owner invented it" (emphasis supplied),

the Trial Court displayed an unawareness that "inventorship" issues are extremely common in patent cases and are often the central issue to be litigated. The venerable *Walker On Patents* (Deller's Edition), Baker, Voorhis and Company, 1937, lists as conventional defenses in patent infringement actions, the following:

#### **"§ 667. Eighth Defense.**

That the patentee surreptitiously or unjustly obtained the patent for that which was in fact the invention of another, who was using reasonable diligence in adapting and perfecting the same.



“§ 668. Ninth and Tenth Defenses.

9. That the invention was made by another jointly with the sole applicant.

10. That it was made by one only of two or more joint applicants.”

Allegations of misjoinder of inventor have been such a common problem in patent infringement actions brought to trial, that, when the Patent Laws were revised in 1952, a special section, Title 35 U.S.C. § 256, was added to deal with the problem. This section provides that misjoinder or nonjoinder of joint inventors shall not invalidate a patent, if such error can be corrected by the court as provided in that section.

Treatises on patent law conventionally contain sections on “joint and sole inventions”, and the possibility of confusion on this issue is freely acknowledged.

“It may be difficult under certain circumstances to determine the actual inventors of an invention resulting from collective efforts; . . .”, *Patenting The Invention*, by V. Alexander Scher, Mathew Bender & Co., 1948, p. 22.

“If . . . C.D. notices the need of a new machine to perform a particular function and calls the attention of E.F. to the matter, and a successful invention is, after many conversations between the two, embodied in a working machine constructed by the hands of both, then it may be that C.D. is the sole inventor, or it may be that E.F. is the sole inventor, or, it may be that both are joint inventors of the machine they produce.” *Deller's Walker On Patents* (Second Edition), Vol. 1, 1964, p. 182.

“§ 6. One who is directing others to carry out his general ideas may be an inventor, even though he may not be the actual discoverer of the particular

thing that constitutes the final invention. The actual discoverer of a particular invention may not be the inventor. If he is executing the general plan of investigation and invention for another, the person under whom he is working is generally regarded as the inventor and the accomplishment of the associate is merely an expression of the intellectual activity of the principal." *Invention and the Law*, by Harry Aubrey Toulmen, Jr., Prentice Hall, 1936, p. 70.

"There are many instances in which the courts have been called upon to decide whether a particular device is truly the joint invention of two persons or whether it is the invention of one of them, the other being merely a technical assistant. There is no exact and general rule for guidance in such cases. If one of the two collaborators conceived the device in its entirety and the other acted merely as a mechanic in constructing the new machine or as a laboratory helper in making the new substance, the invention would belong solely to the person who originated the idea and not at all to the one who first embodied it in tangible form. . . . The mere fact that he had employed his technical knowledge and skill in the performance of his duties does not make him a co-inventor." *Patent Law For Chemists, Engineers and Executives*, by Fred H. Rhodes, McGraw Hill, 1931.

In view of the foregoing, the allegation by G & A that Gonsalves rather than Kramer was the sole inventor of the claimed subject matter can hardly be considered to be a "once-in-a-lifetime" plea for such a conclusion of law.

#### **The Inventor Is The One Who Conceives The Invention**

Patentable invention begins with conception of the invention. The inventor mentally conceives a new and useful

objective or improvement and, generally, the means of achieving the objective. *Deller's* (2d Ed.), Vol. I, *supra*, at pp. 177, 191. Conception is complete "when the inventive idea is crystallized in all of its essential attributes and becomes so clearly defined in the mind of the inventor as to be capable of being converted to reality and reduced to practice by the inventor *or by one skilled in the art.*" (emphasis supplied.) *Deller's, supra*, at p. 192. At the moment of conception, the invention is full blown as it were.

Thereafter, unless the invention is abandoned by the inventor (conceiver), it is "reduced to practice" either *actually* by the making of an operable device or a complete drawing or *constructively* by the filing of a patent application. *Deller's, supra*, at pp. 201-202, 210. The reduction to practice, which completes the invention may be accomplished by the inventor himself *or by his agent.* *Deller's, supra*, at p. 203.

"To constitute a man an inventor, it is not necessary for him to have skill enough to embody his invention in a working machine, or in a model, or even in a drawing. If a man furnishes all the ideas needed to produce the invention aimed at, he may avail himself of the mechanical skill of others, to practically embody or represent his contrivance, and still be the sole inventor thereof." *Deller's supra*, at p. 187.

Nor will the suggestions or improvements of the inventor's agent in the reduction to practice defeat sole inventorship by the conceiver. In its classic statement of law on this subject, *Agawam Co. v. Jordan*, 74 U.S. 583, 602 (1869), the Supreme Court stated that:

"... where a person has discovered an improved principle in a machine, manufacture, or composition of matter, and employs other persons to assist him in

carrying out that principle, and they, in the course of experiments arising from that employment, make valuable discoveries ancillary to the plan and pre-conceived design of the employer, such suggested improvements are in general to be regarded as the property of the party who discovered the original improved principle, and may be embodied in his patent as a part of his invention."

In a more recent case, *Minerals Separation, Ltd. v. Hyde*, 242 U.S. 261, 270 (1916), the Supreme Court reasserted the *Agawam* doctrine against a somewhat different factual situation.

"The claim that the patentees of the patent in suit are not the original discoverers of the process patented because an employee of theirs happened to make the analyses and observations which resulted immediately in the discovery, cannot be allowed. The record shows very clearly that the patentees planned the experiments in progress when the discovery was made; that they directed the investigations day by day, and that they interpreted the results. *Agawam Company v. Jordan*, 7 Wall. 583-603, rules this claim against the defendant."

#### **Kramer Was The Sole Inventor Of The Claimed Subject Matter**

The fact that the patent in suit was issued in Kramer's name as sole inventor "is, in itself, prima facie proof of that fact. And the burden is upon him who makes an assertion contrary to the presumption to prove it" (*Pointer v. Six Wheel Corp.*, 177 F.2d 153, 157 (9th Cir. 1949), cert. denied, 339 U.S. 911 (1950)). The same decision (*Ibid*) establishes the standard of proof required to establish joint inventorship in the face of a sole inventor patent. The standard of proof required is "clear and convincing proof" (*Id.* at 157, *Deller's, supra*, at p. 182). This Court of Appeals has viewed the defense of lack of invention by

the named inventor to be a technical one to be "regarded with disfavor" by the Court. *Klein v. American Casting & Mfg. Corp.*, 87 F.2d 291, 294 (2d Cir. 1937).

Although the trial testimony herein reveals some controversy between the witnesses (Kramer, Gonsalves and Dosso) as to the details of events which happened many years earlier, the main thrust of the testimony as to the facts surrounding the inventive process is clear. *Kramer*, even according to Gonsalves, conceived the new and useful objective of making a far cheaper hinge bracket for folding cots. The means for achieving this objective was conceived by *Kramer* to be savings in steel and plating costs. To this end *Kramer* also conceived that the hinge bracket blanks should be "nested" in the full width of the steel strip from which they are stamped and that a lighter gauge of material could be used if reinforcing ribs were provided in the product.

As indicated (at p. 6, *supra*), the Trial Court, in its opinion, herein, (App. 143a), characterized the "alleged invention" herein to be "nesting" of the bracket blanks, that is, matching (to a great extent) the top and bottom edges of successive blanks in the stamping strip. Having done so, the Trial Court (App. 143a) found specifically that *Kramer* requested that Gonsalves "nest" the blanks as well as provide for reinforcing ribs, and a lighter gauge material. Thus, based on the Trial Court's own findings, as stated in its opinion, *Kramer alone conceived what the Court regards as the "alleged invention"*.

Having conceived the invention, *Kramer* employed Gonsalves as his agent to assist in its reduction to practice. The facts surrounding the reduction to practice will be reviewed on the basis of Gonsalves' testimony alone. Gonsalves has testified, relative to *Kramer's* instructions to him, that they included:

1. direction to save material by "making the bracket out of the least amount of material" and to use "a thinner gauge" (App. 68a, 85a);

2. direction to preserve the critical function of the bracket by selecting the right angle for the leg portions of the bracket (App. 72a, 87a);

3. direction to "interlock" [nest] the blanks so "that it should not have any scrap" (App. 73a);

4. direction as to number and location of mounting holes (App. 76a-77a);

5. direction as to size of holes (App. 81a);

6. direction to provide the locking depressions in the bracket (App. 82a);

7. suggestion that the product be altered to make it more possible to nest it (App. 85a);

8. a request for reinforcing ribs (App. 86a);

9. a request that a saddle be provided in the improved product (App. 83a-84a); and

10. "much more" (App. 72a).

Having been thus completely instructed as to Kramer's conception, Gonsalves was faced only with a routine design layout of the blank and strip and the resultant *design of the die* to make the bracket. As Gonsalves realized *from Kramer's instructions*, "the location of the hinging holes as compared to the saddle has to remain" (App. 87a-88a), the "bottom of the blank has to match the top of the blank" (*Id.*); and that, as a logical result, "the bottom end is the only part that could be changed to any degree" (App. 88a). Such routine design considerations can hardly be equated to invention over Kramer's detailed instructions. No calculations were necessary for Gonsalves' preliminary layout (App. 98a).

Moreover, Gonsalves testified as to Kramer's participation in these routine design efforts:

1. that "we might have sat down together and said, 'Let's see how we could do it' " (App. 70a);

2. that it was customary to have such discussions (App. 71a); and

3. that he specifically recalled there being such a discussion in this instance (App. 71a).

Gonsalves also testified that his resultant drawing (App. 273a) was shown to Kramer "for his approval as to the design of the part" (App. 67a).

Thus, Gonsalves' own testimony with respect to his and Kramer's participation in the reduction to practice of the invention is on all fours with the views of the Supreme Court as expressed in *Agawam, supra*, and *Minerals, supra*.

Moreover, the presumption that Kramer was the sole inventor is enhanced by Gonsalves' inaction in the face of his knowledge of Kramer's claim to sole inventorship in his patent application. *Frederick Iron & Steel Co. v. Sanford Riley Stoker Co.*, 287 F. 495, 499 (4th Cir. 1923). Gonsalves has testified that had he known about the Patent Laws at the time that he was manufacturing brackets with "patent pending" on them, he would have taken some action with respect to Kramer's application (App. 111a). But he also testified that he had retained a patent attorney and knew something about the Patent Laws at that very time (App. 115a-116a).

**The Trial Court's Apparent Conclusion That Kramer Knowingly Lied When He Claimed To Be The Sole Inventor Is Unwarranted**

In view of the aforesaid fact testimony by Gonsalves, it was unreasonable and contrary to the evidence for the Trial Court to conclude that Kramer "lied" or knowingly and falsely testified when he claimed to be the sole inventor or creator of the patented hinge bracket blank. As has been shown on Gonsalves' testimony alone, Kramer is the sole inventor of what the Trial Court characterized as the "alleged invention" herein. And, even if the Trial Court re-

jected Kramer's claim to sole inventorship, it could not reasonably fail to recognize that Kramer was, at the very least, a joint inventor in an important way. (See *P & D Sales & Mfg. Co. v. Winter*, 334 F.2d 830, 836 (7th Cir. 1964)). *Without Kramer, the hinge bracket link design would never have come into being at all.* Kramer's claim to sole inventorship is a legal conclusion based upon diverse facts rather than a statement of a discrete objective fact. A statement by an affiant of what amounts to no more than an erroneous conclusion of law will not sustain a charge of perjury. *Barr Rubber Products Company v. Sun Rubber Company*, 425 F.2d 1114, 1125 (2d Cir. 1970), *cert. denied*, 400 U.S. 878 (1970).

Moreover, Kramer, like any other patentee, is entitled to a reasonable belief in the validity of his own patent. *Kaplan v. Helenhart Novelty Corp.*, 182 F.2d 311, 314 (2d Cir. 1950). This is true with respect to the often confused issue of sole or joint inventorship as well as with respect to obviousness. *Delamere Co., Inc., v. Taylor-Bell Co., Inc.*, 249 F. Supp. 471 (S.D.N.Y. 1966). Kramer's claim of sole inventorship is not so wholly devoid of substance as to constitute perjury or to justify an award of attorney fees to G & A.

#### **The Trial Court Apparently Applied The Wrong Standard Of Proof In Deciding The Fraud Charge**

In a recent analogous case, *Congoleum Industries, Inc., v. Armstrong Cork Co.*, 339 F. Supp. 1036, 1060 (E.D. Pa. 1972), where a charge of fraud on the Patent Office was founded upon an oath of inventorship, the court held that:

"proof of fraud on the Patent Office must be clear, unequivocal and convincing, and a mere preponderance of evidence which leaves the issue in doubt is a wholly insufficient basis for a finding of fraud. *Baldwin-Lima-Hamilton Corp. v. Tatnall Meas. Sys. Co.*, 169 F. Supp. 1 (E.D. Pa. 1958), *aff'd*, 268 F.2d 395 (3d Cir.), *cert. denied*, 361 U.S. 894, 80 S. Ct.

190, 4 L. Ed. 2d 151 (1959). Defendant has fallen far short of the exacting standard of proof of fraud. We find no merit in its position."

This Court of Appeals has held likewise that a charge of perjury must be established by "clear and convincing proof" *Barr Rubber Products Company v. Sun Rubber Company*, 425 F.2d 1114, 1120 (2d Cir. 1970), *cert. denied* 400 U.S. 878 (1970). This is "especially so when a finding that material evidence has been falsified permits the allowance of an adversary's attorney fees not otherwise recoverable." (*Id.* at 1120-1121). Moreover, this Court of Appeals was able to "assume from the lower court's silence that it applied [the] normal 'preponderance of the evidence' test." (*Id.* at 1120).

It is respectfully submitted that the Trial Court, in this case too, has erred in applying the "preponderance of the evidence" standard of proof to its charge of perjury against Kramer rather than the more stringent "clear and convincing proof" standard, as established by *Barr*.

**The Charge Of Perjury Is Not Established Even By  
The "Preponderance" Test**

If this Court will carefully consider the instructions given by Kramer to Gonsalves, Kramer's participation in the routine design activity of Gonsalves and Kramer's approval of Gonsalves' result, all established solely on the basis of Gonsalves' testimony as set forth, *supra*, it will find that Kramer's conclusory testimony that he was the sole inventor of the improved bracket blank is not inconsistent with Gonsalves' fact testimony. Rather, there is only a war of conclusions based upon substantially the same material facts. Such an argument over a legal conclusion can hardly be the basis of a perjury charge.

The only noteworthy fact on which the respective testimonies of Gonsalves and Kramer clash is the question of



what Kramer brought with him when he went to Gonsalves for assistance in the reduction to practice of the invention. Kramer says it was made of paper or cardboard, and Gonsalves says it was made of metal. But this disputed fact is immaterial in view of Gonsalves' own testimony as to Kramer's participation in the reduction to practice. Moreover, remembering that defendant, not Kramer, had the burden of proof, oral testimony alone as to long past events should not be accepted as conclusive (*Deller's, supra*, at 197).

Further, although the Trial Court, by the language of its opinion, has seemed disposed not to accord Kramer much credibility as a witness, it is respectfully submitted that Gonsalves' credibility is also rendered doubtful at best by his silent cooperation for years in stamping "patent pending" on the Kramer hinge brackets. When first asked about this (App. 61a), he explained his apathy by stating that he had no knowledge of the Patent Laws at that time. Later, upon cross-examination (App. 115a-116a) and when confronted with one of his own patents, Gonsalves admitted that he had at that time retained a patent attorney and had some knowledge of the Patent Laws.

## POINT II

### THE AMOUNT OF ATTORNEY FEES AWARDED IS CLEARLY EXCESSIVE

This Circuit, apparently mindful of the statutory limitation (35 USC §285) that attorney fees be "reasonable" and the admonition in a copyright case under a similar statute (17 USC § 116)<sup>2</sup> that:

"Generally speaking it is more consonant . . . to award only a fair fee fairly earned . . . rather than a

---

<sup>2</sup> Reference is had to the Copyright Laws not only because of the analogous discretionary counsel fee provision which appears

(Footnote continued)

punitive award", *Cloth v. Hyman*, 146 F. Supp. 185, 193 (S.D.N.Y. 1956),

is conservative in its award of attorney fees. Even assuming, *arguendo*, that this was such an exceptional case as to justify any award of attorney fees to G & A, Kramer contends that the award of \$16,970 by the Magistrate in his report and recommendation (App. 240a) is both punitive and unreasonable.

*Cloth v. Hyman*, *supra*, at 193-194, succinctly states the rubric with respect to the elements to be considered in fixing the amount of counsel fees.

"In determining what is a reasonable attorney's fee, the Court should take into account the following elements, among others: the amount of work necessary; the amount of work done; the skill employed; the monetary amount involved; and the result achieved."

See also, e.g., *Orgel v. Clark Boardman Co.*, 301 F.2d 119, 122 (2d Cir. 1962), *cert. denied*, 371 U.S. 817 (1962).

---

(Continued footnote)

therein, but because the Magistrate, during the course of the attorney fee hearing, inferentially (Record, Attorney Fee Hearing Transcript, pp. 62, 64-64) sought guidance as to the amount of counsel fees generally awarded in patent attorney fee cases, a fee schedule as it were. While, apart from *Barr Rubber Products Company v. Sun Rubber Co.*, 279 F. Supp. 49, 50-52 (S.D.N.Y. 1968), *rev'd. in part*, 425 F.2d 1114 (2d Cir. 1970), *cert. denied*, 400 U.S. 878 (1970), and *Thermovac Industries Corp. v. Virtis Co., Inc.*, 159 U.S.P.Q. 349 (S.D.N.Y. 1968), no general guide to the level of attorney fees awarded in this Circuit in patent cases has been found, Appellant has discovered that such a compilation has been made for the Subcommittee on the Judiciary of the United States Senate with respect to copyright cases under the companion attorney fee provision. This study, which was prepared for the Eighty-Sixth Congress, Second Session, pursuant to Senate Resolution 240, compared attorney fee awards in copyright cases to the damages otherwise recovered. A copy of the pertinent pages of this study appears in the Joint Appendix at pages 235a-239a.

**The Result To Be Considered In Determining The Amount Of A Counsel Fee Award Is The Result Apart From The Counsel Fee Award**

From his report and recommendation (App. 244a) it would appear that the Magistrate determined the amount of counsel fees to be awarded, at least in part, "in light of the result" obtained by Mr. Berger. Actually, all of the results, *save one*, obtained through Mr. Berger's advocacy were unremarkable in type and amount. The patent in suit was held to be invalid and unenforceable as are the vast majority of patents litigated in this Circuit. Defendant escaped a damage exposure of less than \$1,000 (App. 191a). There were no damages awarded on the counterclaim. The only unusual "result" was the award of attorney fees. Presumably it is this latter result to which the Magistrate referred.

It is submitted that the effect of the Magistrate's recommendation is to award Mr. Berger a \$17,000 counsel fee for winning a \$17,000 counsel fee. This is "boot-strap-ping" in its plainest sense.

The Magistrate correctly found (App. 245a) that the law is clear that attorney time expended in obtaining the award of attorney fees should be excluded from the computation of the amount of any such award. Similarly, Kramer submits that the only "result" which can reasonably be viewed as one of the bases for determining the amount of an attorney fee award is *the result apart from attorney fees* and that saving one's client from less than \$1,000 damage liability can scarcely justify a fee of \$17,000. Note that Mr. Berger's client has never paid him more than \$1,000 (App. 171a, 177a-178a).

**The Magistrate's Award Was Punitive In Amount**

The Magistrate's report and recommendation, confirmed by the Trial Court in all respects (App. 262a), states that plaintiff, who commenced the action, should

not be heard to complain at the result (App. 245a). Apparently for this reason, the Magistrate refused to limit the attorney fee award to an amount not in excess of the actual amount in controversy, to wit: \$1,000 (App. 244a-245a). It should be noted that Kramer submitted his invention disclosure for the patent in suit to his patent solicitor who, in due course, procured issuance of the patent in suit. He sued two *admitted infringers*, Duralite and G & A, as was his statutory right (35 U.S.C. § 281), for infringement of his duly issued patent (App. 140a). Surely, he should not be punished for this act by the award of counsel fees in excess of the amount in controversy.

Moreover, Kramer is a businessman who has been issued some 25 odd patents, most of which relate to his products (Record, Exhibit 3A). In order to protect his entire patent package from wholesale infringement by his competitors, he must, from time to time demonstrate his readiness to protect his patent rights by suing open infringers regardless of the amount in controversy in the particular suit.

**Assuming, Arguendo, That Attorney Fees In Excess Of \$1000 Were Warranted, The Magistrate Computed The Amount On A Basis Not Warranted By The Facts And The Law**

G & A and its attorney, Mr. Berger, claim to have had a quasi-contingent fee arrangement. A fee of \$25.00 per hour was to be paid if the defense were unsuccessful, and a "reasonable fee" if successful (App. 171a). At the hearing before the Magistrate, defendant's exhibit 1 (App. 274a-278a) was a purported bill from Mr. Berger to G & A dated July 9, 1973, (five months before the Trial Court's opinion and order of December 20, 1973, and, consequently, five months before Mr. Berger knew if he were successful or unsuccessful) in which the billing rate was \$75 per hour for office time and \$100 per hour for time in court. Exhibit 2 (App. 279a), a bill dated December 10, 1973,

and exhibit 3 (App. 280a), a bill dated April 2, 1974, were billed at the same rates. Mr. Berger testified that these were not his usual rates (App. 184a), and his testimony stated that the usual rates were "\$40 per hour in 1970, \$50 per hour in 1972 and \$60 in 1974 (with a higher charge for court time) (App. 185a). The Magistrate stated that:

"we must look at the actual value of the attorney's time." (App. 243a).

Kramer submits that the actual value of the attorney's time was \$25 per hour, the same fee which he charged for the only other litigation in which he has been involved from 1970 through April, 1974 (App. 188a), rather than what appear to be totally or largely hypothetical rates of \$100, \$75, \$60, \$50 or \$40 per hour.

The Magistrate properly disallowed \$1,087.50 of another attorney's consultation time under the rule of *Thermovac Industries Corp. v. Virtis Co., Inc.*, 159 U.S.P.Q. 349 (S.D.N.Y. 1968). In the *Thermovac* case, Judge Levet disallowed duplicatory time and many other unnecessary charges and then reduced the total billing by 50%. A similar procedure was followed by Judge Frankel in *Barr Rubber Products Company v. Sun Rubber Co.*, 279 F. Supp. 49 (S.D.N.Y. 1968), *rev'd in part*, 425 F.2d 1114 (2d Cir. 1970), *cert. denied*, 400 U.S. 878 (1970), in which rates of \$30 per hour for a partner and \$20 per hour for an associate were allowed, a \$50,000 general deduction was made, and the remainder of the bill was reduced by 40%. These reductions were made notwithstanding Judge Frankel's findings of perjury by the defendant.

The Magistrate misapprehends the significance of the reversal of Judge Frankel's decision by this Court (*Barr Rubber Products Company v. Sun Rubber Company*, 425 F.2d 1114 (2d Cir. 1970), *cert. denied*, 400 U.S. 878 (1970)) when he avers that the *Barr* (district court) case

"has little precedent value for determining a proper fee here" (App. 242a).

This Court, on appeal of the *Barr* case, did not find it necessary to decide the question of the amount of attorney fees, since it found that the standard of proof for the finding of perjury had not been met in the district court and that no award of attorney fees was justified. Consequently it would *not* be,

“doubly punitive to reduce his [Mr. Berger’s] hourly charge because of his inexperience and then disallow much of his time as being unnecessary” (App. 244a).

but, rather, it would be following the method set out in two recently decided cases in this Circuit, *Thermovac*, *supra*, and *Barr*, *supra*.

**The Magistrate Did Not Consistently Apply His Own Established Attorney Fee Rate Criteria To The Entire Proceeding**

The Magistrate found that:

“concededly, it appears that Mr. Berger expended a good deal of unnecessary time and repetitive hours in preparation of the case” (App. 244a)

and on that basis reduced the billing hours allowed for 1970, 1971 and 1972 by 50% (App. 246a). There is no reasonable basis on which an assumption can be made that Mr. Berger was not continuing to bill for unnecessary time and repetitive hours in 1973 and 1974, particularly since he assumed that Kramer, and not his client, would be paying his bills. Kramer contends that the same 50% reduction should be made for the billings of 1973 and 1974, the procedure set out in *Thermovac* and *Barr* and followed in part by the Magistrate.

### POINT III

#### WHERE CROSS-CLAIMS FOR DAMAGES WERE BOTH DENIED EACH PARTY SHOULD BEAR ITS OWN COSTS

Kramer's complaints herein sought damages against defendants, Duralite and G & A by reason of their admitted infringement of the patent in suit (App. 7a-10a). Defendant, G & A's counterclaim sought damages by reason of Kramer's alleged fraud on the Patent Office by (as it developed during trial) falsely swearing that he was the sole inventor of the subject matter of the patent in suit (App. 24a-26a). Kramer's claim was denied, *inter alia*, by the finding of the Trial Court that the claimed subject matter did not rise to the level of invention (App. 142a). G & A's counterclaim was denied by reason of the Trial Court's finding that all of its elements had not been proved (App. 143a). On these facts, it is submitted, each party should have been left to bear its own costs.

Kramer is aware that this Court may take the view that the award of attorney fees may justify the award of costs, also, in favor of G & A. However, should this Court reverse the Trial Court on the propriety of this award, then the award of costs of the district court action to G & A should also be reversed.

### POINT IV

#### KRAMER WAS DEPRIVED OF HIS RIGHT TO DUE PROCESS OF LAW AS GUARANTEED BY THE FIFTH AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES

Kramer submits that the acts of the Trial Court herein have deprived him of his right to due process of law guaranteed by the Fifth Amendment to the Constitution of the United States in two important respects. These are: (1) only two days after new counsel had been retained to try the case, the case was brought to trial notwithstanding the application of newly retained counsel for a two to three week adjournment of the trial date in order to allow time

for counsel to familiarize himself with the case and to prepare for trial; and (2) the Trial Court apparently declined to even consider Kramer's motion pursuant to Rule 52(b), F.R. Civ. Prac., to amend and supplement the Trial Court's findings of fact and conclusions of law by denying the same in all respects the day after it was filed and prior to the filing of any response by G & A.

For reasons not of record, Kramer and his previous attorney in this case, Mr. Stoll, apparently reached a mutual conclusion on the eve of trial that this case should be tried by Kramer's present counsel herein, Mr. Bumgardner. Accordingly, at 4:30 PM, Friday, June 15, 1973, Mr. Stoll telephoned Mr. Bumgardner to request that he be trial counsel. Mr. Bumgardner, who then knew nothing of the case, agreed to review the file and to advise Mr. Stoll and Kramer as to whether he would try the case. Mr. Stoll's file on the case reached Mr. Bumgardner at 3:30 PM, Monday, June 18, 1973 (App. 210a). Mr. Bumgardner attempted to review the file that evening and found it to be incomplete in many important respects. On Tuesday, June 19, 1973, Mr. Bumgardner agreed to try the case and telephoned Judge Duffy's chambers to request a two to three week adjournment of the trial date in order to complete his file and to familiarize himself with the case. Judge Duffy denied this request (App. 211a), and the case proceeded to trial on the morning of Thursday, June 21, 1973. In the colloquy in the trial transcript, the Trial Court expressly acknowledged the "difficult position" in which Kramer's trial counsel had been placed (App. 35a). When the trial began, Mr. Bumgardner was "still reading the evidence which I was seeing for the first time" (App. 211a).

The only pre-trial references to fraud by G & A were (1) in the amended answer (App. 23a-24a) wherein it was asserted that, when Kramer filed his application, he knew that his claims were anticipated by prior art products of others and (2) in the counterclaim (App. 25a) in which the alleged fraud was not pleaded with particularity or specifi-



city and could only be presumed by Mr. Bumgardner to relate to the same prior art concealment alleged in the answer. During trial, upon the direct examination of G & A's witness, Gonsalves, Mr. Bumgardner first learned that his client was charged with fraud in the nature of perjury by allegedly lying to the Patent Office when he swore that he was the inventor of the patented subject matter while presumedly knowing that Gonsalves was really the sole inventor thereof. Thereupon, at Mr. Bumgardner's request, the Trial Court recessed for less than an hour prior to Mr. Bumgardner's cross-examination of Gonsalves.

So much of the Trial Court's decision as is appealed from herein turned entirely on the Trial Court's finding of perjury by Kramer in holding "that the plaintiff was not the creator of the design or device and lied when he said he was (App. 143a). Upon becoming advised of the Trial Court's finding of perjury and the erroneous conclusion of law on which it was founded, Kramer responded to the Trial Court's opinion and order by filing a motion, pursuant to Rule 52(b), Federal Rules of Civil Procedure, to amend and supplement the findings of fact and conclusions of law contained therein (App. 146a-151a) together with a detailed supporting memorandum of law (App. 152a-168a). Without even considering the intended response of G & A (for which counsel fees were assessed against Kramer), the Trial Court denied this motion "in all respects" the day after it was filed (App. 169a).

The aforestated facts clearly show that Kramer was denied representation by fully effective counsel of his choice by the precipitous haste with which the Trial Court forced the case to trial only two days after substitution of said counsel. He was also, effectively, denied his day in court with respect to the perjury charge by the Trial Court's refusal to even consider his Rule 52(b) motion made after the specifics of the charge and the basis of the Trial Court's decision thereon were finally fully known to

him. Indeed, the apparent determination of the Trial Court to dispose of this case in haste and with a minimal investment of its time is probably responsible for most, if not all, of the error complained of under Point I of this brief. The criticality of lack of reasonable notice of the specifics of a perjury charge formed, in part, the basis for this Court's decision in the *Barr* case, *supra*.

"This was especially critical here for if it is arguable that Sun was put on notice that an issue of perjury existed in the case the notice it received lacked the specificity one charged with such serious criminal behavior ought to have been accorded." *Barr Rubber v. Sun Rubber*, 425 F. 2d 1114, 1126 (2d Cir. 1970), *cert. denied*, 400 U.S. 878 (1970).

See also, *Modern Constitutional Law*, Vol. I, by Chester J. Antieri, The Lawyers Co-operative Publishing Company, 1969, at § 7:14, p. 545:

"The right to a hearing embraces not only the right to present evidence but also a reasonable opportunity to know the claims of the opposing party and to meet them."

In *Barr* (*supra*, at 1120-1121), this Court held that, where conduct to be litigated in a civil action amounts to criminal conduct if proven, a standard of proof higher than that normally required in civil cases is mandatory. Kramer asks this Court to go one logical step further. Kramer submits that when a civil case involves a charge of conduct which, if proven, would amount to a crime, then the "due process" provision of the Fifth Amendment to the Constitution of the United States should be interpreted to include the right to counsel provision of the Sixth Amendment which treats with criminal procedure. For this reason, the right to counsel decisions in criminal cases become appropriate for this Court's consideration on the appeal of this case.

As the Supreme Court has said in *Powell v. Alabama*, 287 U.S. 45, 59 (1932), quoting from *Commonwealth v. O'Keefe*, 293 Pa. 169, 173, 148 A. 73, 74-75 (Supr. Ct., Pa. 1929),

"It is vain to give the accused a day in court, with no opportunity to prepare for it, or to guarantee him counsel without giving the latter any opportunity to acquaint himself with the facts or law of the case.

• • •

"A prompt and vigorous administration of the criminal law is commendable and we have no desire to clog the wheels of justice. What we here decide is that to force a defendant, charged with a serious misdemeanor, to trial within five hours of his arrest, is not due process of law, regardless of the merits of the case."

This passage was quoted in part in *Shapiro v. United States*, 69 F. Supp. 205, 207 (Ct. Cl. 1947), in which the court added (at 207):

"Nor can it be doubted that the right afforded by the Sixth Amendment has been denied when counsel has been refused an opportunity to prepare his defense."

See also *Modern Constitutional Law*, *supra* (at § 5:39, p. 326).

"The Constitutional right to counsel embraces a right to sufficient time and opportunity before trial for counsel to prepare a defense."

## CONCLUSION

I. The decision of the Trial Court, filed December 20, 1973, should be reversed insofar as it held "that the plaintiff was not the creator of the [patented] design or device and lied when he said he was" and found "that this is such an exceptional case that attorney's fees are warranted under the provisions of 35 U.S.C. § 285."

II. This Court should afford plaintiff-appellant such other, further and different relief as appears to be appropriate in view of the arguments made herein.

Respectfully submitted,

HARVEY E. BUMGARDNER, JR.  
*Attorney for Plaintiff-Appellant*  
 1230 Sixth Avenue  
 New York, New York 10020  
 Telephone (212) 489-4541

*Of Counsel:*

BARBARA BUMGARDNER  
 ARTHUR, DRY & KALISH



## ADDENDUM

Constitution of the United States:

AMENDMENT V—CAPITAL CRIMES; DOUBLE JEOPARDY;  
SELF-INCRIMINATION; DUE PROCESS;  
JUST COMPENSATION FOR PROPERTY

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

AMENDMENT VI—JURY TRIAL FOR CRIMES, AND  
PROCEDURAL RIGHTS

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the Assistance of Counsel for his defence.

Title 17, U.S.C.:

§ 116. *Costs; attorney's fees*

In all actions, suits, or proceedings under this title, except when brought by or against the United States or any officer thereof, full costs shall be allowed, and the court may award to the prevailing party a reasonable attorney's fee as part of the costs. July 30, 1947, c. 391, § 1, 61 Stat. 652.

*Addendum*

Title 35, U.S.C.:

§ 101. *Inventions patentable*

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

§ 103. *Conditions for patentability; non-obvious subject matter*

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

§ 115. *Oath of applicant*

The applicant shall make oath that he believes himself to be the original and first inventor of the process, machine, manufacture, or composition of matter, or improvement thereof, for which he solicits a patent; and shall state of what country he is a citizen. Such oath may be made before any person within the United States authorized by law to administer oaths, or, when made in a foreign country, before any diplomatic or consular officer of the United States authorized to administer oaths, or before any officer having an official seal and authorized to administer oaths in the foreign country in which the applicant may be, whose authority shall be proved by certificate of a diplomatic or consular officer of the United States, and such oath shall be valid if it complies with the laws of the state or country where made. When the application is made as provided in this title by a person other than the inventor, the oath may be so varied in form that it can be made by him.

*Addendum*§ 116. *Joint inventors*

When an invention is made by two or more persons jointly, they shall apply for patent jointly and each sign the application and make the required oath, except as otherwise provided in this title.

If a joint inventor refuses to join in an application for patent or cannot be found or reached after diligent effort, the application may be made by the other inventor on behalf of himself and the omitted inventor. The Commissioner, on proof of the pertinent facts and after such notice to the omitted inventor as he prescribes, may grant a patent to the inventor making the application, subject to the same rights which the omitted inventor would have had if he had been joined. The omitted inventor may subsequently join in the application.

Whenever a person is joined in an application for patent as joint inventor through error, or a joint inventor is not included in an application through error, and such error arose without any deceptive intention on his part, the Commissioner may permit the application to be amended accordingly, under such terms as he prescribes.

§ 256. *Misjoinder of inventor*

Whenever a patent is issued on the application of persons as joint inventors and it appears that one of such persons was not in fact a joint inventor, and that he was included as a joint inventor by error and without any deceptive intention, the Commissioner may, on application of all the parties and assignees, with proof of the facts and such other requirements as may be imposed, issue a certificate deleting the name of the erroneously joined person from the patent.

Whenever a patent is issued and it appears that a person was a joint inventor, but was omitted by error and without deceptive intention on his part, the Commissioner may, on application of all the parties and assignees, with



*Addendum*

proof of the facts and such other requirements as may be imposed, issue a certificate adding his name to the patent as a joint inventor.

The misjoinder or nonjoinder of joint inventors shall not invalidate a patent, if such error can be corrected as provided in this section. The court before which such matter is called in question may order correction of the patent on notice and hearing of all parties concerned and the Commissioner shall issue a certificate accordingly.

§ 281. *Remedy for infringement of patent*

A patentee shall have remedy by civil action for infringement of his patent.

§ 285. *Attorney fees*

The court in exceptional cases may award reasonable attorney fees to the prevailing party.

Federal Rules of Civil Procedure, 28 U.S.C.:

RULE 52.

FINDINGS BY THE COURT

\* \* \*

(b) *Amendment.* Upon motion of a party made not later than 10 days after entry of judgment the court may amend its findings or make additional findings and may amend the judgment accordingly. The motion may be made with a motion for a new trial pursuant to Rule 59. When findings of fact are made in actions tried by the court without a jury the question of the sufficiency of the evidence to support the findings may thereafter be raised whether or not the party raising the question has made in the district court an objection to such findings or has made a motion to amend them or a motion for judgment. As amended Dec. 27, 1946, eff. March 19, 1948; Jan. 21, 1963, eff. July 1, 1963.

Received 2 copies of  
Peter Berg with  
11/8/74 for future  
pay